

CLEARING MEMBER – CONSTITUENT AGREEMENT

This Agreement is made at _____ this day of 20..... by and between:

....., a Company formed and registered under the Companies Act, 1956/2013, having its Registered Office at (hereinafter referred to as the “Clearing Member”, which expression shall, unless repugnant to the context, or meaning thereof include its successors, legal representatives and permitted assigns)

AND

a / an Company/ Body Corporate Co-operative Society / duly formed and registered under the Laws of India, having his / her / its Registered Office / Office / Place of Business at _____ (hereinafter referred to as the “**Constituent**”, which expression shall, unless repugnant to the context or meaning thereof, include its successors, legal representatives and permitted assigns)

The Clearing Member and the Constituent shall wherever the context requires, be hereafter referred to individually as ‘Party’ and jointly as ‘Parties’.

WHEREAS

The Clearing Member is registered as a Trading cum Self Clearing Member (TCM) of the AMC Repo Clearing Limited. (hereinafter referred to as the “**ARCL**” or “**Clearing Corporation**”) which carries on the activities of clearing and settlement of deals (hereinafter referred to as “**Deals**”) in repo transactions executed on the trading platform of Bombay Stock Exchange or National Stock Exchange, as the case may be, (hereinafter referred to as “**Concerned Exchange**”) for and on behalf of the Constituents.

The Constituent is desirous of effecting repo transactions on the Concerned Exchange through a Trading Member registered by the Concerned Exchange and wishes to avail of the clearing and settlement facilities offered by the Clearing Member of ARCL, subject to the Rules, Bye Laws, Regulations and terms and conditions of ARCL.

The Constituent has approached the Clearing Member and requested to undertake the clearing & settlement of its Deals and to discharge its duties and obligations towards ARCL on behalf of the Clearing Member and the Clearing Member has, in turn, agreed to clear & settle the Deals subject to and strictly in accordance with the provisions contained in the Rules, Bye Laws and Regulations of ARCL, the guidelines, conditions, process and circulars issued by ARCL from time to time and the terms and conditions contained herein.

Now, therefore, in consideration of the mutual understanding as set forth in this Agreement, the parties have agreed to the terms and conditions, as follows:

1. The Parties shall be bound by the terms and conditions contained in this Agreement, the Rules, Byelaws and Regulations of ARCL, the terms and conditions of ARCL, guidelines, circulars issued, and processes put in place by ARCL from time to time, the Securities Contracts (Regulation) Act of 1956, the Securities Exchange Board of India Act of 1992 and Payment and Systems Settlement Act of 2007, or any other Act or Law as may be applicable from time to time.
2. The Clearing Member hereby undertakes to maintain the confidentiality of the details of the Constituent and that it shall not disclose the same to any person / entity except as required by ARCL or as may be required by any Government / Statutory / Regulatory Body / Authority and any Court of Law.
3. The Clearing Member, however, shall be allowed to share the details of the Constituent as mentioned in the Constituent Registration Form or any other information pertaining to the Constituent with parties / entities other than as required under law, only with the express permission of the Constituent.
4. The Constituent shall pay to the Clearing Member such amount(s) as a deposit as decided by the Clearing Member, and in such form as may be approved by the Clearing Member, on or before transacting in repo transactions.
5. The Clearing Member may specify, subject to the exposure limits prescribed by ARCL from time to time, the exposure limits that are applicable to the Constituent. Such limits may be increased or reduced by the Clearing Member from time to time. The Clearing Member shall have the authority to initiate any action necessary to protect its interests in this regard, which may, inter alia, include restriction on further trading and closeout of open positions of the Constituent.
6. The Clearing Member shall have a general lien for the discharge of the Constituent obligations on all monies (cash and cash equivalents), or securities held by it on behalf of the Constituent.
7. The Clearing Member agrees that the Constituent may deposit the margins and/or collateral directly with the Clearing Corporation which shall be dealt with by the Clearing Corporation in the manner set out in the Rules, Bye-Laws and Regulations of the Clearing Corporation. Provided further, without prejudice to the foregoing, the Clearing Corporation shall be entitled to appropriate such margins or collateral towards the dues or obligations payable by the Constituent to the Clearing Member subject to such requirements as may be prescribed by the Clearing Corporation.
8. The Constituent undertakes to pay to the Clearing Corporation such amounts as may be required to be paid towards the daily mark to market settlement and all other charges / dues / obligations as per the requirements of ARCL, at such intervals as may be required by ARCL or SEBI, as the case may be.
9. The Clearing Member shall be liable to pay to the Constituent any amount becoming due and receivable by the Constituent towards the final settlement of the Deals as per the requirements of

ARCL and in accordance with the circulars/guidelines issued by ARCL in this regard from time to time.

10. The Clearing Member shall from time to time inform the Constituent about the exposure limits (including any increase or reduction in such limits) upto which repo transactions can be undertaken by the Constituent.
11. The Constituent agrees to pay to the Clearing Member, fees, charges along with applicable taxes in respect of various services, which the Clearing Member provides and the Constituent avails, at such terms and intervals as mutually agreed from time to time.
12. The Clearing Member or any of its authorized representatives and ARCL and its officials or its authorized representatives shall have the right to inspect the books of accounts, records and documents, including computerized data of the Constituent for which the Clearing Member shall have free access to the premises occupied by the Constituent or by any other person on behalf of the Constituent.
13. Constituent shall be liable to pay such Taxes as applicable under the Tax Laws or any such other levy, as the case may be, as applicable from time to time. The Constituent will be solely responsible for complying with all the provisions and regulation of the Tax Laws as applicable from time to time.
14. The Constituent irrevocably authorizes the Clearing Member, should the Clearing Member deem it necessary for its protection, to buy, sell, square-off, close out of all or any of the Constituents' positions held by the Clearing Member on behalf of the Constituent. The Constituent undertakes to indemnify (and keep indemnified) the Clearing Member, against all losses, financial or otherwise, and to reimburse all incidental expenses incurred by the Clearing Member in order to give effect to the above.
15. In the event of a default of the Clearing Member in payment of any dues to ARCL or to the Constituent or in the event of the Clearing Member being declared defaulter by ARCL, the Clearing Member agrees that Constituent's money shall not be utilized to meet the Clearing Member's liabilities and, the Constituent's positions shall be either transferred to another solvent Clearing Member or closed-out as per the provisions of the Rules, Byelaws and Regulations of ARCL. The losses, if any, caused to the Constituent because of such action would be recoverable by the Constituent from the Clearing Member.
16. In the event of failure of the Constituent to fulfill its obligations to the Clearing Member or ARCL, the Clearing Member shall be entitled to liquidate / square-off / close-out of all or any of the Constituents' positions without prejudice to the Clearing Member's right to refer the matter to Arbitration. Any and all losses, financial or otherwise, and charges, fees, etc. on account of such liquidation / square-off / close-out shall be charged to and be borne by the Constituent.

17. The Constituent shall be entitled to receive reports / statements of mark to market settlement, final settlement, margin amounts, open positions and other obligations from the Clearing Member.
18. The Clearing Member and the Constituent shall settle the accounts on a periodical basis as may be mutually agreed between the Clearing Member and the Constituent or in accordance with the directions if any, issued by ARCL or SEBI or Reserve Bank of India, as the case may be.
19. This Agreement may be terminated by mutual consent or by either of the Parties giving at least one-month notice to the other. Such termination shall not have any effect on the transactions executed till the date of termination and the Parties shall enjoy same rights and shall have same obligations in respect of each of such transactions.
20. Any communication between the Clearing Member and the Constituent shall be in writing and shall be delivered in any one or more of the following ways :
 - a. an electronic mail or fax
 - b. delivering it by post
 - c. sending it by registered post
 - d. sending it under certificate of posting
 - e. sending it by express delivery post / courier services
 - f. affixing it in the door at the last known business or residential address
 - g. advertising it in at least once in any prominent daily newspaper.
21. No liability shall result to either Party for delay in performance or non- performance of the obligations under this Agreement caused and/or contributed to by any event of force majeure. For purposes of this Clause, "Force Majeure" means and includes wars, insurrections, revolution, fires, floods, epidemic, quarantine restrictions, declared general strikes in relevant industries, Act of God, Act of Governmental, Statutory, Regulatory or Legal authority and such other acts or events including but not limited to technology failures beyond the control of the non-performing Party. The Parties understand that the Clearing and Settlement of all repo transactions done on the Concerned Exchange are subject to the Rules, Byelaws, Regulations, Terms & Conditions, instructions and directions framed/issued by ARCL from time to time including any amendments or modifications thereof and shall be deemed to be and shall take effect as wholly made, entered into and to be performed for the purpose of giving effect to the provisions of the said Rules, Byelaws, Regulations, Terms & Conditions, instructions and directions. The Constituent confirms to have read and understood the Rules, Byelaws and Regulations of ARCL, the terms and conditions currently in force and undertakes to keep himself/herself/itself updated on the same from time to time.
22. Neither Party shall be entitled to assign or otherwise transfer this agreement or any benefits, rights, obligations or interests herein, whether in whole or in part, to any other agency without the prior written consent of the other Party.

23. No forbearance, delay or indulgence by either Party in enforcing the provisions of this Agreement shall prejudice or restrict the rights of that Party nor shall any waiver of its rights operate as a waiver of any subsequent breach and no rights, powers, remedies herein conferred upon or reserved for either Party is exclusive of any other right, power or remedy available to that Party and each right, power or remedy shall be cumulative
24. All disputes, differences or questions arising out of or in relation to the Agreement including the interpretation of the terms contained herein with regard to the obligations, failure or breach thereof by any of the Parties and / or of any matter whatsoever arising out of the Agreement, shall in the first instance be resolved mutually by the Parties.
25. If the Parties fail to resolve the same mutually, then the same shall be referred to Arbitration in accordance with the Rules, Bye-Laws and Regulations of ARCL.
26. All Clearing and Settlement of deals are subject to the Rules, Bye-Laws and Regulations of ARCL, the circulars/guidelines issued by ARCL thereunder and directives of SEBI and Reserve Bank of India.

In WITNESS THEREOF, the parties to agreement have caused these presents to be executed as of the day and year first above written.

SIGNED for and on behalf of Clearing Member:

By:

Signature:

Title:

Witness:

SIGNED for and on behalf of Constituent:

By:

Signature:

Title:

Witness: This Agreement is executed pursuant to the Resolutions passed at the Meeting of the Board of Directors held on: